

**BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE  
FOR THE STATE OF TENNESSEE**

<b>TENNESSEE SECURITIES DIVISION,</b>	)	
	)	
<b>Petitioner,</b>	)	
	)	
	)	
<b>vs.</b>	)	<b>No. 12.06-013098J</b>
	)	
	)	
<b>GOLDIS FINANCIAL GROUP, INC., and</b>	)	
<b>MICHAEL P. DREITLEIN,</b>	)	
	)	
<b>Respondents.</b>	)	

**AGREED ORDER**

The Tennessee Securities Division (hereinafter referred to as the "Division"), and Goldis Financial Group agree to the entry of this Consent Order in accordance with Tenn. Code Ann. §48-2-116 of the Tennessee Securities Act of 1980, as amended, Tenn. Code Ann. §§48-2-101, *et seq.* (hereinafter referred to as the "Act"), which states that the Commissioner of the Department of Commerce and Insurance (hereinafter referred to as the "Commissioner") from time to time may make such orders as are necessary to carry out the provisions of the Act.

**FINDINGS OF FACT**

1      The Tennessee Securities Act of 1980, as amended, Tenn. Code Ann. §48-2-101, *et seq.*, places the responsibility for the administration of the Act on the

Commissioner. The Division is the lawful agent through which the Commissioner discharges this responsibility. Tenn. Code Ann. §48-2-115.

2. Goldis Financial Group, Inc. (hereinafter referred to as "Goldis") is a corporation with its principal place of business being 100 Quentin Roosevelt Boulevard, Suite 404, Garden City, New York 11530. Goldis is currently registered with the Division as a broker-dealer.

3. Michael P. Dreitlein (hereinafter referred to as "Dreitlein") is a citizen of the State of New York, residing at 456 Half Hallow Road, Dix Hills, New York 11746. Dreitlein has never been registered with this Division as a broker-dealer, an agent of a broker-dealer, or as an investment advisor. At all times relevant to the events enumerated herein, Dreitlein was registered in various other states as an agent of Goldis.

4 In and around November, 1995, a Report of New Account form (hereinafter referred to as the "Form" was filled out on behalf of John T. Herman (hereinafter referred to as "Herman"), a citizen and resident of the State of Tennessee. The "AE Signature" line on the Form was signed by Dreitlein.

5 Herman's home address was listed on the Form as 100 Nathan Forest Drive, Hendersonville, Tennessee 37075. The "AE Registered in Customer's State of Residence" box on the Form was checked "YES."

6. Between November, 1995, and June, 1997, while acting as an agent of Goldis, Dreitlein executed thirty-six (36) buy/sell transactions on behalf of Herman, even though Dreitlein was not registered as an agent of Goldis in Tennessee.

## CONCLUSIONS OF LAW

7. Pursuant to Tenn. Code Ann. §48-2-115(a), the responsibility for the administration of the Act is upon the Commissioner. The Division is the lawful agent through which the Commissioner discharges this responsibility.

8. Tenn. Code Ann. §48-2-112(a)(2)(B) provides that the Commissioner, by order, may deny, suspend, or revoke any registration under this part if the Commissioner finds that the order is in the public interest, necessary for the protection of investors, and if he finds that the registrant or, in the case of a broker-dealer, any officer, director, or any person occupying a similar status or performing similar functions, has willfully violated or willfully failed to comply with any provision of this part or a predecessor chapter or rule or order under this part of a predecessor chapter, including, without limitation, any net capital requirements.

9. Tenn. Code Ann. §48-2-109(a) provides that it is unlawful for any person to transact business from or into this state as a broker-dealer or agent unless such person is registered as a broker-dealer or agent under this part.

10. Tenn. Code Ann. § 48-2-112(a)(2)(J) provides that the Commissioner may deny, suspend or revoke a broker-dealer's registration upon finding that the broker-dealer has failed reasonably to supervise its agents.

11. Based upon the Findings of Fact, Dreitlein has violated Tenn. Code Ann. §48-2-109(a) by acting as an agent of a broker-dealer in this state without being registered under the Act

12. Based upon the Findings of Fact, Goldis has violated Tenn. Code Ann. §48-2-112(a)(2)(J) by allowing Dreitlein to act as an agent in this state without being properly registered.

13 Goldis admits the above Findings of Fact and Conclusions of Law. Goldis hereby also acknowledges the Commissioner's authority to administer said statute and concedes that the Commissioner's interpretation of the statute is reasonable and enforceable. Therefore, Goldis, in order to avoid any further expenses or costs associated with litigating this matter, hereby desires to enter into this Consent Order.

### ORDER

NOW, THEREFORE, on the basis of the foregoing, and the waiver by Goldis of its right to a hearing and appeal under the Tennessee Securities Act and Tennessee's Uniform Administrative Procedures Act, Tenn. Code Ann. §4-5-101, *et seq.*, the Commissioner finds that Goldis has consented to the entry of this Order and that the following Order is appropriate, in the public interest, and necessary for the protection of investors.

IT IS ORDERED, pursuant to Tenn. Code Ann. §48-2-116 of the Tennessee Securities Act that

1 Goldis agrees to make a contribution to the Tennessee Investor Education Fund in the amount of Ten Thousand Dollars (\$10,000.00). Said amount

shall be due and paid in full within thirty (30) days from the date of entry of this Order, and directed to the following address:

Tennessee Securities Division  
Broker-Dealer Registration Section  
Davy Crockett Tower, Suite 680  
500 James Robertson Parkway  
Nashville, Tennessee 37243

2. Goldis shall withdraw its Tennessee broker-dealer registration, and agree that this Consent Order provides sufficient and reasonable grounds to deny any and all applications for broker-dealer registration Goldis may submit to the Division in the future. The approval, signature, and entry of this Consent Order by the parties shall be deemed to satisfy all filing and notice requirements of Tenn. Code Ann. §48-2-112(f)(1).

IT IS ORDERED that this Order represents the complete and final resolution of and discharge with respect to all administrative and civil claims, demands, actions, and causes of action by the Commissioner against Goldis for the above violations of the Act.

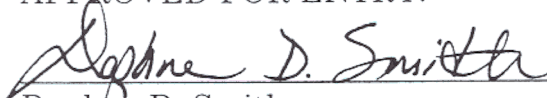
This Consent Order is in the public interest and in the best interests of the parties, and represents a compromise and settlement of the controversy between the parties and is for settlement purposes only. By the signatures affixed below Goldis affirmatively states that it has freely agreed to the entry of this Consent Order; that, by the undersigned counsel of record in this matter, it waives its rights to a hearing on the matters underlying this Consent Order and to a review of the

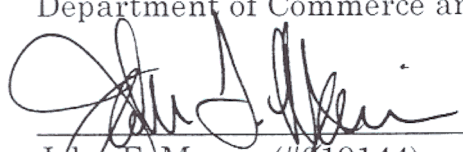
Findings of Fact and Conclusions of Law contained herein; and that no threats or promises of any kind have been made by the Commissioner, the Division, or any agent or representative thereof. The parties, by signing this Consent Order, affirmatively state their agreement to be bound by the terms of this Consent Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement set forth in this Consent Order, are binding upon them

ENTERED this 9<sup>th</sup> day of May, 2001.

  
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Anne B. Pope, Commissioner  
Department of Commerce and Insurance

APPROVED FOR ENTRY:

  
\_\_\_\_\_  
Daphne D. Smith  
Assistant Commissioner for Securities  
Department of Commerce and Insurance


  
\_\_\_\_\_  
John F. Morris (#019144)  
Staff Attorney  
Department of Commerce and Insurance  
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GOLDIS FINANCIAL GROUP, INC

By: 

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Title: Vice President

  
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